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UNCLAS SECTION 01 OF 02 TOKYO 003163

SENSITIVE
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SUBJECT: Japan Economic Scope for November 12, 2008

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[11.](#) (U) This cable contains the Japan Economic Scope for November 12, 2008.

Food and Agriculture

[12.](#) (SBU) USDA Urges Changes To New Wheat And Rice Tender Regs

USDA's General Sale Manager W. Kirk Miller met with Ministry of Agriculture (MAFF) Director General for the Staple Food Department Masaaki Okuhara November 7 to express U.S. concerns about the new contract specifications for wheat and rice tenders. Okuhara's department was instrumental in developing MAFF's new specs that require wheat or rice found unfit for human consumption to be either destroyed or re-exported. These new specs, issued in response to the "tainted rice" scandal in which MAFF was implicated, lack clarity in terms of liability disposal accommodation and other issues that continue to disrupt trade in wheat and rice. Okuhara confirmed MAFF has been in regular discussions with grain traders about the contract changes. While there has been agreement on many things, there are still unresolved contractual points he said. With the most recent rice tender scheduled going unfulfilled, Okura noted his office would engage the traders and work to iron out the remaining problems in the contract. He asserted Japan would fill its rice quota and live up to its commitments. USDA also passed a letter to MAFF DG Machida expressing the same concerns, which also noted failure to fulfill Japan's tenders might be attributable to MAFF's inadequate specifications, but not to market factors such as price.

Japan's Foreign Relations

[13.](#) (U) Surveys for the Improvement of Harbor and Transportation Infrastructure in Ghana and Tanzania

The GOJ agreed to implement preliminary surveys for the improvement of harbor and transportation infrastructure in Ghana and Tanzania, which may lead to the promotion of direct investment by Japanese companies. In Ghana, Japan International Cooperation Agency (JICA) will conduct a preparatory survey for cooperation concerning harbor and transportation infrastructure. In Tanzania, the Ministry of Economy, Trade and Industry and JETRO will implement an emergency survey for needs connected with an Mtwara Harbor expansion project. These projects are the outcome of the public-private Joint Missions for promoting trade and investment dispatched to Africa in September.

[14.](#) (U) Emergency Assistance For Flood Disaster In Yemen

On October 28, the GOJ agreed to provide emergency relief goods

(tents, blankets, plastic sheets, sleeping mats, water purifiers, etc.) equivalent to about \$180,000 to the Government of the Republic of Yemen, which sustained damage from flooding caused by torrential rainfall.

15. (U) Emergency Assistance For Earthquake Disaster In Pakistan

On October 29, the GOJ agreed to provide emergency relief goods (blankets, tents, etc.) equivalent to about \$110,000 to Pakistan for earthquake-related relief.

16. (U) Japanese Grant Aid To The Palestinian Authority

Japan will provide \$10 million of non-project grant aid to ease the budgetary burden of the Palestine Authority. In an exchange of notes on October 29, Japan committed to help Palestinians improve their economy, institutional capacity, and livelihood, and to support the peace process. Japan has proposed "The Corridor for Peace and Prosperity Initiative" to build an agro-industrial park in the Jordan Valley, which will provide the Palestinians job opportunities by facilitating the export of value-added products. Japan's contributions since the Oslo Process started in 1993 total \$1 billion.

17. (U) Japan Assists Southern Sudan Through UNHCR With High-tech Water Purifiers

The GOJ decided October 28 to provide assistance through the UNHCR to Sudan for refugee relief. The number of refugee returnees to Southern Sudan is anticipated to increase to at least 80,000 within a year following the end of this coming rainy season and the general

TOKYO 00003163 002 OF 002

election planned for 2009, according to UNHCR. There is concern rapid deterioration of sanitary conditions in the region resulting from the influx of refugees may lead to disease outbreaks. The GOJ's assistance includes 60 portable-type high-technology water purifiers and 60 spare filters to be used at nine medical facilities.

18. (U) JICA Exchanges MOU With The African Development Bank (AfDB)

JICA President Ogata signed a Memorandum of Understanding October 29 in Tokyo with the President of the African Development Bank, Donald Kaberuka, to strengthen the partnership between the two organizations. The MOU aims to ensure sustained economic growth throughout the continent. Ogata and Kaberuka agreed that in an increasingly complex environment for development aid, the ability to deliver effective assistance depends on much closer cooperation and collaboration between organizations such as JICA and AfDB. The new MOU is designed to "facilitate collaboration" and "maintain a continuous working relationship" between the signatories, with the overall aim of improving Africa's economic performance. Areas of cooperation include regional infrastructure development, agricultural productivity, private sector development, environment and climate change, water and sanitation, and post conflict situations. The parties also agreed to strengthen cooperation in research, staff exchanges, and knowledge-sharing in areas such as the relevance of Asia's "economic miracle" to Africa's current situation.

Trade

19. (SBU) Jail For Ex-Vice Defense Minister Moriya (SBU)

The Tokyo District Court sentenced former Vice Minister of Defense Takemasa Moriya to two and half years in prison and ordered him to pay 12.5 million yen in penalties for taking bribes totalling roughly the same amount from defense equipment trading company Yamada Yoko Corporation. The court refused Moriya's request for a suspended sentence. Moriya was also convicted of giving false testimony to the Diet. Motonobu Miyazaki, former managing director of Yamada Corporation, received a two-year prison sentence for bribing Moriya. Two other Yamada executives received suspended sentences.

